

# INFORMATION LETTER

Not for  
Publication

## NATIONAL CANNERS ASSOCIATION

For Members  
Only

No. 1354

Washington, D. C.

September 15, 1951

### WALSH-HEALEY EXEMPTION FOR PERISHABLES GRANTED

#### OPS Promises Relief from Inequities Under CPR 55 and CPR 56

In meetings this week with top officials of the Office of Price Stabilization, canning industry representatives were promised that first priority will be given to the issuance of amendments to correct inequities in the vegetable and fruit pricing regulations, CPR 55 and CPR 56.

A subcommittee of the War Mobilization Committee, headed by Howard T. Cumming, met at N.C.A. offices Monday, September 10, to study and analyze the impact of CPR 55 and CPR 56 on a number of products.

It was evident from reports by cannery throughout the country that relief of some sort must be forthcoming immediately from OPS. These facts were reported to Edward F. Phelps, Assistant Director of Price Stabilization, in a conference that afternoon at which Mr. Cumming

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#### Inclusion of Freight Rate Increases in Ceiling Prices

No general revision of ceiling price regulations will be made to reflect increased freight rates recently authorized by the Interstate Commerce Commission.

In General Interpretation 3, the Office of Price Stabilization has informed businessmen generally that they must continue to price under the regulations applicable to them, and that recognition will be given to the higher freight rates only if the pertinent regulations so provide.

OPS pointed out that the freight rate increases (see INFORMATION LETTER of Sept. 1, page 313) became effective after the July 26 cut-off date which Congress had specified for cost increases which must be reflected in ceiling prices.

OPS also cited Interpretation 1 to GCPR, which states in a general way that sellers under that order may add freight increases to their ceiling prices only where a ceiling price was estab-

(Please turn to page 328)

#### QMC Enabled to Contract In Advance of Production For Exact Specifications

The Secretary of Labor on September 7 acceded to the request of the Secretary of the Army and granted authority to contract for 33 specified canned foods without regard to the Walsh-Healey Public Contracts Act.

The Labor Department order authorizes the Quartermaster General, as buying agent for canned foods for the armed forces, to omit the representations and stipulations of Section 1 of the Walsh-Healey Act from contracts for military requirements of the specified canned fruits, vegetables, and juices.

The 33 products to which the exception applies are listed in the Labor Department order, which is reproduced on page 324.

The Walsh-Healey exemption will enable the QMC to contract with cannery in advance of production for the specified products in container sizes, grades and styles of pack, and shipping containers required by the services. These are outlined in the set-aside orders issued earlier this year by the Production and Marketing Administration of USDA.

The exception from the Walsh-Healey requirements expires December 31, 1951.

In a letter to the industry, the N.C.A. this week urged all cannery to make every possible effort to supply the canned foods sought by the QMC.

#### Indicated Production Of Vegetables for Processing

The 1951 tonnage of nine important truck crops for commercial processing is estimated at 6.2 million tons, according to a report issued September 11 by the Bureau of Agricultural Economics. Production of these crops amounted to 4.9 million tons in 1950 and averaged 5.0 million tons during the preceding 10-year period. This summary of production prospects covers lima beans, snap beans, beets, cabbage for kraut, corn, peas, pimientos, winter and spring spinach, and tomatoes. Details of the September 11 crop report are reported beginning on page 326.

#### Defense Production Act

The Senate Committee on Banking and Currency on September 10 voted to hold hearings on S. 2092, embodying the Administration's proposal for amending the Defense Production Act. Hearings were begun by a subcommittee September 13.

## PROCUREMENT

### Text of Order Granting Exception from Walsh-Healey Act

Following is the text of the order granting exception from the Walsh-Healey Act for contracts for 33 specified canned foods, as published in the *Federal Register* of September 18:

**DEPARTMENT OF LABOR**  
Division of Public Contracts

**CONTRACTS FOR CERTAIN CANNED  
FRUITS AND VEGETABLES**

**ORDER GRANTING EXCEPTION FROM PROVISIONS OF WALSH-HEALEY PUBLIC CONTRACTS ACT**

On May 25, 1951, notice was published in the *FEDERAL REGISTER* (16 F.R. 4943) that the Secretary of the Army had made a written finding that the conduct of Government business will be seriously impaired by the inclusion of the representations and stipulations of section 1 of the Walsh-Healey Public Contracts Act (49 Stat. 2086; 41 U.S.C. 35-45) (hereinafter called the "Act") in contracts awarded on or before December 31, 1951, for the canned fruits and vegetables herein-after enumerated and had requested the Secretary of Labor to grant an exception pursuant to the provisions of section 6 of the Act.

The notice also stated that a public hearing would be held concerning the request for exception before the Acting Administrator of the Public Contracts Division on June 11, 1951 to afford interested parties an opportunity to appear and submit data, views, and arguments either in support of or in opposition to the proposal.

In accordance with said notice a public hearing was held at the designated time and place before F. Granville Grimes, Jr., Acting Administrator of the Public Contracts Division at which all persons desiring to be heard were given an opportunity to present data, views, and arguments. Following said public hearing a transcript of the record thereof was transmitted to me by the Acting Administrator of the Public Contracts Division. Subsequent to the hearing I proposed to the Department of Defense and to the Secretary of Agriculture that the procurement needs of the Armed Forces might be met through the use of mandatory set-aside orders under Title 1 of the Defense Production Act of 1950 without the granting of exceptions under the Walsh-Healey Public Contracts Act. This proposal was explored by the Department of Defense and the Secretary of Agriculture who have advised me that set-aside orders would not resolve the difficulties with respect to procurement of canned fruits and vegetables for the Armed Forces.

After reviewing all of the evidence and arguments presented at the hearing, on the written finding of the Secretary of the Army, and upon the entire record before me, I find that the public interest will be served by granting the exception requested by the Secretary of the Army.

Accordingly, pursuant to the authority vested in me by section 6 of the Act I do hereby grant an exception permitting the award of contracts for the procurement of the following canned fruits and vegetables for the Armed Forces of the United States from the date hereof to and including December 31, 1951, without the inclusion therein of the representations and stipulations of section 1 of the Act:

- Apples, canned
- Applesauce, canned
- Apricots, canned
- Asparagus, canned
- Beans, lima, canned
- Beans, string, canned
- Beets, canned
- Berries, canned
- Carrots, canned
- Catsup, tomato
- Cherries, sour, canned
- Cherries, sweet, canned
- Corn, cream style, canned
- Corn, whole grain, canned
- Figs, canned
- Fruit cocktail, canned
- Grapefruit, canned
- Juice, citrus
- Juice, grape
- Juice, pineapple
- Peas, green, canned
- Peaches, canned
- Pears, canned
- Pineapple, canned
- Plums (prunes), canned
- Potatoes, Sweet, canned
- Pumpkin, canned
- Puree, tomato
- Sauce, cranberry
- Spinach, canned
- Tomatoes, canned
- Tomato Juice, canned
- Tomato Paste, canned

Signed at Washington, D. C., this 7th day of September 1951.

MAURICE J. TOBIN,  
*Secretary of Labor.*

**Invitations for Bids**

Quartermaster Purchasing Office—111 East 16th Street, New York 3, N. Y.; 1819 West Pershing Road, Chicago 8, Ill.; Oakland Army Base, Oakland 14, Calif.

Veterans Administration—Procurement Division, Veterans Administration, Wash. 25, D. C.

The Walsh-Healey Public Contracts Act may apply to all operations performed after the date of notice of award if the total value of a contract is \$10,000 or over.

The Veterans Administration has invited sealed bids to furnish the following:

MUSHROOMS—2,000 dozen 16-oz cans, 307 x 510, or equivalent in other size cans, f.o.b. destination. Bids due under S-60 by Sept. 19.

APPLE BUTTER AND APPLESAUCE—500 dozen No. 10 cans of apple butter and 3,750 dozen No. 10 cans of applesauce (Fancy), or equivalents in other size cans. Bids due under S-70 by Sept. 20.

### Gen. Feldman, About to Retire, Praised by N.C.A. Committee

The N.C.A. War Mobilization Procurement Committee paid tribute to the retiring Quartermaster General, Maj. Gen. Herman Feldman, at a meeting in Washington September 11.

General Feldman's term as Quartermaster General of the Army is about to end. He plans to retire.

F. C. Heinz, chairman of the N.C.A. Procurement Committee, addressed the meeting. He said:

I called this meeting of the Procurement Committee in order that we could personally express to you the appreciation of the canning industry for the splendid spirit of cooperation which your leadership has developed and maintained with our industry. The past year and a half has been a rugged period for Supply Division personnel. General Hopping died, Colonel Wagner, General Middeswart was transferred, also Colonel Hartman. Your selection of personnel and maintenance of continuity of responsibility has played a large part in the smooth operation of the canned food procurement program.

Last fall we recommended that you take on your staff a civilian to assist you in developing and carrying on the procurement program. You graciously accepted the recommendation and asked that we suggest an individual for the job. I am happy to report that although we failed to make a suggestion, your staff has functioned in a most acceptable fashion without the services of an industry consultant such as we proposed.

We are disappointed that the time is nearly here for you to retire. We will miss you. However, in General Hollis and Colonel Durbin you are leaving us qualified and respected leaders.

Perhaps more than all else, we commend your perseverance on the Walsh-Healey problem. Our day-by-day contacts, as you know, have been with Colonel Durbin. His understanding of the Walsh-Healey problem and hard and brilliant work, in our opinion, merits highest praise.

Tomorrow Secretary Campbell is writing all canners pointing out that the lateness of Secretary Tobin's decision means the fullest cooperation of the industry is needed; that the most must be made of the remainder of the year in supplying the armed forces with desired can sizes, grades and styles of pack and shipping containers. With the ability to enter into firm contracts, Mr. Campbell reminds the industry, canners must demonstrate that the Secretary of Labor, although belatedly, has made a decision in the public interest. We recognize that now that the Act has been waived, a responsibility lies with us to do our part in delivering the goods.

## Gen. Horkan Named QMG

Maj. Gen. George A. Horkan was nominated by the President September 13 to be Quartermaster General of the Army. He will succeed Maj. Gen. Herman Feldman, whose retirement, effective September 30, was announced.

General Horkan was commissioned in the Army in 1917. During World War II he was commandant of the Quartermaster School at Camp Lee, Va., and later commanding general there. Following the war he headed the program for the return of war dead. He was Chief Quartermaster of the European command from August, 1948, to August 4, 1951.

## Green Beans for USDA

The U. S. Department of Agriculture on September 7 announced that offers of 202,830 cases of canned green snap beans have been accepted for delivery from September 17 through October 17, 1951, for distribution to schools in the National School Lunch Program.

Purchases were made in the following areas and within the price ranges indicated per case: Maine-Maryland-New York 27,780 cases of No. 10's at \$3.125 to \$3.50, and 49,280 cases of No. 2's at \$2.60 to \$2.70; Florida-South Carolina 19,080 cases of No. 10's at \$3.15 to \$3.25, and 29,020 cases of No. 2's at \$2.50 to \$2.704; Arkansas-Texas 5,000 cases of No. 10's at \$3.375, and 30,770 cases of No. 2's at \$2.60 to \$2.80; Michigan-Wisconsin 15,960 cases of No. 10's at \$3.45 to \$3.77, and 5,500 cases of No. 2's at \$2.80; Oregon-Utah 20,440 cases of No. 10's at \$3.625 to \$3.82. All of the above prices are exclusive of cash discounts.

## MANPOWER

### Wages for Tomato Picking

In response to requests for the establishment of an area ceiling rate for picking 1951-crop tomatoes in California, the Wage Stabilization Board on September 7 issued Area Ceiling Determination 1, specifying maximum piece-work rates which may be paid a tomato picker for a 50-pound box of round type tomatoes at 20 cents and for a 50-pound box of pear type tomatoes at 24 cents, except that an employer will not be required to pay less for picking the 1951 crop than he did for the same work in past harvests.

## DEFENSE

### Ed Gibson Leaves DPA

Edwin T. Gibson has resigned as Deputy Administrator of the Defense Production Administration and has returned to his post as executive vice president of the General Foods Corporation.

Mr. Gibson joined DPA in February. Following the resignation of William H. Harrison, Mr. Gibson served for a time as Acting Administrator of DPA until Manly Fleischmann was appointed Administrator in July. At that time, Mr. Gibson accepted appointment as Deputy Administrator in charge of international aspects of the defense program.

Frederick Winant has been named Acting Deputy Administrator for Foreign Coordination.

### CPR 56 To Be Amended

*(Concluded from page 323)*

was calculated on the basis of a production area including Idaho.

It has since been brought to the attention of OPS that Idaho prune production does not enter significantly into the processing channels of the Washington-Oregon area and should not be included in the same price area. OPS has, therefore, recalculated the prune adjustment, considering Washington-Oregon and Idaho separately. Because Idaho 1951 prune production is not substantially below normal, the raw material costs for Idaho prunes to be reflected in ceiling prices of canners and freezers will revert to the normal legal minimum of \$63.40.

The maximum raw material costs for Bartlett pears for canning and freezing in Washington and Oregon which, if paid, may be reflected in ceiling prices, will be \$102.70 a ton.

The maximum raw material costs for freestone peaches for canning and freezing which, if paid, may be reflected in ceiling prices, will be \$97.90 a ton for the states of Indiana, Illinois, Kentucky, Tennessee, Alabama, Mississippi and Colorado.

These adjustments are made in accordance with the provisions of Section 402 (d) (3) of the Defense Production Act of 1950, as amended, which require that appropriate allowances shall be made in ceiling prices for processed agricultural commodities to reflect substantial reductions in merchantable crop yields, unusual in-

creases in the cost of production and other hazards in connection with the production and marketing of agricultural commodities. The normal legal minima for the above items in the above states were adjusted by the percentage of the 1951 crops of the 10-year (1940-49) average, as reported by the U. S. Department of Agriculture.

The forthcoming amendments to the canned fruit regulation and a frozen fruit regulation soon to be issued will contain raw material adjustment factors for these fruits which processors will use in determining their ceilings. These adjustment factors will be computed by taking the difference between 1948 grower prices and the adjusted 1951 legal minimum prices set forth above.

### Deputy Administrator of NPA

Henry H. Fowler, a former government official for nearly 12 years, took office September 10 as Deputy Administrator of the National Production Authority. He fills a post vacant since June.

Mr. Fowler was with the WPB for a time during World War II. He entered government service in 1934, and served in a number of agencies. In 1946 he organized a law firm in Washington, D. C.

### Iron and Steel Scrap Drive

The cannery industry was represented by the N.C.A. at a meeting with Defense Mobilizer Charles E. Wilson and NPA Administrator Manly Fleischmann on September 11, at which all businessmen were asked to cooperate in the fall drive for iron and steel scrap. A continuous increase in the flow of scrap to the mills is necessary for the production of equipment essential to the mobilization program, it was said.

The scrap drive calls only for machinery and equipment that cannot be repaired. Businessmen are urged to conserve and repair any machinery that can be useful but to turn unusable machinery into scrap. The primary need of the mobilization program is for scrap containing iron and steel. Copper and aluminum scrap is also needed but not to the same extent.

Businessmen are advised to sell their scrap through the usual channels—local scrap or junk dealers. The County Agricultural Mobilization Committee will also have information about local scrap dealers.

## STATISTICS

### Tomatoes for Processing

Prospects for production of tomatoes for processing show little change from August 1 and on the basis of September 1 reports a total of 3,685,900 tons is indicated, according to BAE. This compares with 2,747,400 tons obtained in 1950.

The September 1 indicated yield is 7.94 tons per acre, as compared with 7.59 tons obtained in 1950. The decline in the 1951 yield prospects between August 1 and September 1 was confined to scattered states—Illinois, Maryland, New York, and Iowa.

State	1950		1951	
	Indicated (tons)	Harvested (tons)	Indicated (tons)	Indicated (tons)
New York . . . . .	188,600	183,600	160,000	
New Jersey . . . . .	212,500	261,000	315,000	
Pennsylvania . . . . .	152,000	150,600	183,300	
Ohio . . . . .	175,500	156,600	142,900	
Indiana . . . . .	344,500	331,500	459,000	
Illinois . . . . .	64,200	79,000	89,500	
Michigan . . . . .	68,900	59,900	56,000	
Wisconsin . . . . .	10,800	5,900	8,000	
Iowa . . . . .	6,200	10,700	9,500	
Missouri . . . . .	6,500	9,600	18,000	
Delaware . . . . .	54,000	40,300	39,600	
Maryland . . . . .	191,400	225,700	207,000	
Virginia . . . . .	68,600	77,800	90,000	
S. Carolina . . . . .	5,000	3,000	6,800	
Florida <sup>1</sup> . . . . .	12,600	14,900	24,000	
Kentucky . . . . .	7,000	3,600	5,200	
Tennessee . . . . .	3,000	10,300	7,500	
Arkansas . . . . .	11,900	14,100	26,500	
Oklahoma . . . . .	2,200	2,200	3,400	
Texas . . . . .	36,800	36,800	35,200	
Colorado . . . . .	25,600	20,100	24,500	
Utah . . . . .	72,000	63,000	91,800	
California . . . . .	897,000	959,100	1,667,500	
Other states <sup>2</sup> . . . . .	17,700	17,900	16,700	
U. S. Total . . . . .	2,634,500	2,747,400	3,685,900	

<sup>1</sup> Sum of estimates by seasonal groups. <sup>2</sup> Ala., Ariz., Conn., Ga., Idaho, Kan., La., Minn., Miss., Nebr., N. M., N. C., Ore., Wash., and W. Va.

### Sweet Corn for Processing

Sweet corn production prospects declined slightly during August and the crop on September 1 was estimated at 1,223,000 tons, according to BAE. This compares with 974,200 tons harvested in 1950.

The September 1 indicated yield is 2.72 tons per acre, as compared with 2.89 tons obtained last year. Most of the reduction in yield prospects after August 1 occurred in states from Illinois and Wisconsin eastward to New York. Improvement elsewhere in the country failed to compensate fully for the decline in these important states.

State	1950		1951	
	Indicated (tons)	Harvested (tons)	Indicated (tons)	Indicated (tons)
Maine . . . . .	10,200	20,400	26,200	
New Hampshire . . . . .	1,100	1,000	1,300	
Vermont . . . . .	1,500	2,100	2,200	
New York . . . . .	55,200	78,500	58,800	
Pennsylvania . . . . .	27,200	26,500	23,500	
Ohio . . . . .	10,400	26,900	32,600	
Indiana . . . . .	53,300	40,800	55,100	
Illinois . . . . .	145,800	154,900	185,600	
Michigan . . . . .	1,600	2,200	1,800	
Wisconsin . . . . .	168,000	146,000	235,200	
Minnesota . . . . .	189,100	202,600	241,800	
Iowa . . . . .	40,000	37,600	59,800	
Nebraska . . . . .	1,000	1,400	3,200	
Delaware . . . . .	8,800	11,500	13,200	
Maryland . . . . .	62,700	69,500	77,000	
Virginia . . . . .	1,100	1,600	2,300	
Idaho . . . . .	26,900	31,400	40,100	
Utah . . . . .	18,900	17,300	27,400	
Washington . . . . .	42,700	40,000	53,200	
Oregon . . . . .	39,100	33,700	52,800	
Other states <sup>1</sup> . . . . .	24,900	28,000	29,900	
U. S. Total . . . . .	948,100	974,200	1,223,000	

### Snap Beans for Processing

Prospects for processing snap beans improved slightly during August and on September 1 a crop of 270,000 tons was indicated, according to BAE. This compares with 254,000 tons obtained in 1950.

A yield of 2.14 tons per acre is indicated for 1951, as compared with 2.18 tons obtained last year. This year's yield prospects improved during August in Maine, Michigan, Utah, Oregon, and Washington.

State	1950		1951	
	Indicated (tons)	Harvested (tons)	Indicated (tons)	Indicated (tons)
Maine . . . . .	6,100	5,500	7,700	
New York . . . . .	45,600	41,500	48,600	
New Jersey . . . . .	7,700	5,600	5,200	
Pennsylvania . . . . .	7,800	9,900	12,100	
Michigan . . . . .	9,700	9,600	9,500	
Wisconsin . . . . .	16,000	18,000	18,300	
Missouri . . . . .	1,000	1,200	1,000	
Delaware . . . . .	2,300	2,600	2,800	
Maryland . . . . .	13,100	10,500	15,700	
Virginia . . . . .	5,300	4,500	4,200	
N. Carolina . . . . .	2,600	3,000	2,600	
S. Carolina . . . . .	600	600	400	
Georgia . . . . .	500	500	200	
Florida <sup>1</sup> . . . . .	16,500	11,000	16,500	
Tennessee . . . . .	7,600	10,400	9,300	
Mississippi . . . . .	1,900	2,600	2,200	
Arkansas . . . . .	10,400	9,000	8,400	
Louisiana . . . . .	1,500	700	400	
Oklahoma . . . . .	3,600	3,600	3,200	
Texas . . . . .	7,200	7,200	7,000	
Colorado . . . . .	4,600	5,100	4,500	
Utah . . . . .	3,000	3,200	2,600	
Washington . . . . .	11,400	12,200	12,200	
Oregon . . . . .	49,500	53,500	55,900	
California . . . . .	11,400	12,800	14,700	
Other states <sup>2</sup> . . . . .	5,100	4,200	4,800	
U. S. Total . . . . .	252,000	254,500	270,000	

<sup>1</sup> Sum of estimates by regional groups. <sup>2</sup> Ala., Idaho, Ill., Ind., Iowa, La., Mass., Minn., Mont., Nebr., N. M., Ohio, Pa., Tenn., Tex., Utah, and Wash.

### Lima Beans for Processing

September 1 reports from commercial processors indicate a near-record crop of green lima beans for processing, according to BAE. The 1951 indicated production of 88,480 tons is 4 percent less than the record crop of 91,800 tons in 1949 but 10 percent more than the 80,500 tons produced last year.

The preliminary estimate of acreage for harvest this year is 110,000 acres, 16 percent more than the 94,780 acres harvested in 1950.

Yields per acre indicated by September 1 reports are below those obtained in 1950 for all of the principal producing states except Michigan, Wisconsin, and California.

State	1950		1951	
	Indicated (tons)	Harvested (tons)	Indicated (tons shelled)	Indicated (tons)
New York . . . . .	900	2,770	3,450	
New Jersey . . . . .	5,700	9,020	8,050	
Pennsylvania . . . . .	1,880	2,520	2,000	
Ohio . . . . .	260	350	210	
Michigan . . . . .	1,350	1,250	1,820	
Wisconsin . . . . .	3,440	3,200	4,810	
Delaware . . . . .	11,900	15,610	15,280	
Maryland . . . . .	3,000	3,720	2,730	
Virginia . . . . .	3,360	2,540	2,000	
Washington . . . . .	1,980	1,840	2,000	
California . . . . .	24,310	24,620	30,000	
Other states <sup>1</sup> . . . . .	15,730	12,970	16,040	
U. S. Total . . . . .	73,960	80,500	88,480	

<sup>1</sup> Ark., Colo., Ga., Idaho, Ill., Ind., Iowa, Ky., Minn., Mo., Okla., Ore., Tenn., and Utah.

### Beets for Canning

The September 1 indicated production of beets for canning is 162,500 tons, according to BAE. This compares with 174,500 tons harvested in 1950.

The preliminary estimate of acreage for harvest is 18,000 acres, as compared with 19,100 acres harvested in 1950.

The September 1 indicated yield of canning beets is 9.03 tons per acre, as compared with 9.14 tons obtained in 1950.

State	1950		1951	
	Indicated (tons)	Harvested (tons)	Indicated (tons)	Indicated (tons)
New York . . . . .	47,200	44,100	40,200	
New Jersey . . . . .	7,200	7,200	8,800	
Michigan . . . . .	8,400	10,600	9,600	
Wisconsin . . . . .	61,600	71,000	65,600	
Oregon . . . . .	22,800	24,000	27,300	
Other states <sup>1</sup> . . . . .	15,370	17,600	11,000	
U. S. Total . . . . .	162,570	174,500	162,500	

<sup>1</sup> Calif., Colo., Ill., Ind., Iowa, La., Me., Md., Minn., Miss., Ohio, Pa., Tenn., Tex., Utah, and Wash.

### Cabbage for Kraut

The prospective contract production of cabbage for sauerkraut, based on September 1 conditions, is practically the same as that reported for August 1, according to BAE. The 1951 indicated crop of 106,200 tons is 14 percent less than that harvested in 1950.

Total supplies of cabbage for both fresh market and kraut manufacture in the summer and early fall domestic areas are expected to total 584,800 tons, 2 percent less than was indicated by August 1 conditions but only 1 percent less than that harvested in 1950.

### Pimientos for Processing

The Georgia pimiento crop is expected to be only about one-third as large as the record 1950 production, according to BAE. However, the September 1 indicated production of 15,300 tons is 14 percent above the average 1940-49 production.

The reduction in prospective tonnage compared with 1950 is the result of both a smaller acreage and a lower indicated yield per acre. The 1951 acreage is estimated at 18,000 acres compared with 32,000 acres in 1950, this decrease being attributed to dry weather at setting time and diversion of acreage to cotton.

The prospective 1951 yield per acre, based on September 1 conditions, is 0.85 tons compared with 1.41 tons obtained in 1950. If the present estimated yield is obtained, it will be the smallest per-acre return since 1941. Reports indicate that the crop has been hard hit by prolonged dry weather over practically all of the pimiento area. There has been considerable dropping of blooms and sun blisters, as well as small sizes in the pepper now being harvested.

### 1951 Pack of RSP Cherries

The 1951 pack of canned red pitted cherries amounted to 4,672,041 actual cases as compared with 5,022,951 cases packed in 1950, according to a report by the N.C.A. Division of Statistics. The following table compares the 1950 and 1951 packs by areas:

	1950 (actual cases)	1951
N. Y. and Pa.	588,799	878,471
Mich., Wis., and Ohio	4,315,592	3,502,425
Western states <sup>1</sup>	118,560	291,195
U. S. Total	5,022,951	4,672,041

<sup>1</sup> Includes Colo., Idaho, Mont., Ore., Utah, and Wash.

### Estimated Production Of 1951 Fruit Crops

The 1951 crops of deciduous fruits are about one-tenth larger than the 1950 crop, according to the August report of the Bureau of Agricultural Economics published in *The Fruit Situation*.

The 1951 crops of grapes, peaches, plums, prunes and strawberries are larger, those of apples, pears, and sour cherries are about the same, and those of apricots, sweet cherries, and cranberries are smaller, according to BAE.

BAE expects the 1951 packs of canned fruits and fruit juices, including citrus, to be larger than those of last year.

Following are highlights of the fruit report:

**Apples**—Production of apples in commercial areas was estimated August 1 at 121.3 million bushels, one percent smaller than the 1950 crop. Crops in the North Atlantic and Central states are much larger than in 1950, the crop in the South Atlantic states is slightly smaller, and the crop in the Western states is considerably smaller.

Approximately 5 percent of the 1951 commercial apple crop consists of summer varieties, 14 percent fall varieties, and 81 percent winter apples.

The BAE reported production and utilization of the 1949 and 1950 crops of apples as follows:

	1949 Crop	1950 Crop
	(1,000 bushels)	
Total production	133,742	123,126
Production having value	121,841	119,550
Fresh sales	80,001	74,506
Canned	14,077	17,014
Dried and frozen	6,378	8,264
Cider, vinegar, and juice	15,602	14,116

An export-payment program for 1951-crop apples, similar to the one for the 1950 crop, was announced by the U. S. Department of Agriculture on July 23. The British Ministry of Food has announced, however, that for the 1951-52 season it no longer will make bulk purchases of apples from North America. Instead, imports will be made through commercial trade on the basis of licenses for limited quantities.

USDA also has announced that it intends to purchase fresh apples in important commercial areas for distribution to school lunch programs and other eligible outlets.

**Pears**—Production of pears in 1951 was estimated as of August 1 at 31.7 million bushels, about 2 percent larger than the 1950 crop. Most of the increase is in the Central and Eastern

states. About 25.3 million bushels, or 80 percent of the crop, is in Washington, Oregon, and California. The production of these states is about one percent smaller than last year. The Bartlett crop of the Pacific Coast states, 18.5 million bushels, is about the same as last year.

**Peaches**—The 1951 crop of peaches was estimated August 1 at nearly 67.8 million bushels, 27 percent larger than the 1950 crop.

In California the clingstone crop is estimated at 21.6 million bushels, 10 percent larger than the 1950 crop. The California freestone crop is estimated at 10.8 million bushels, 8 percent larger than last year. Production is much larger this year in many of the states marketing early in the season, but considerably smaller in several states marketing late.

**Sour Cherries**—The 1951 crop of sour cherries was estimated August 1 at 159,000 tons, slightly under the record 1950 crop. About 90 percent of the crop was in Michigan, New York, Wisconsin, Pennsylvania, and Ohio. A sharp reduction in the Michigan crop was nearly offset by increases in other states.

**Sweet Cherries**—The 1951 crop of sweet cherries was estimated at 73,210 tons, 11 percent smaller than last year, most of the reduction occurring in California, Washington, and Michigan.

## TAXES

### Corporate Income Tax Returns

In the light of pending legislation, the Commissioner of Internal Revenue has informed collectors that they may entertain applications for further extensions of time, but not beyond November 15 of this year, for the filing of income tax returns by corporations subject to the excess profits tax for any taxable year ending after June 30, 1950, and before February 1, 1951, where an extension has already been granted until September 15, 1951.

In making this announcement, the Treasury Department said that such extensions will be conditioned upon the enactment of authorizing legislation and will take effect only if such legislation is enacted.

The authorizing legislation, H. R. 4014, was passed by the Senate September 7 and by the House September 18, clearing the bill for the President.

The law now provides that extensions of time for filing returns may be granted up to six months beyond the due date. The Commissioner has granted such extensions to September 15 in the case of many corporations.

### OPS Promises Relief

(Concluded from page 323)

again urged the OPS to extend the effective date of the two regulations to give OPS time to issue revisions and amendments to relieve the current inequities.

The Committee had considered requesting an extension until the industry had been given the benefit of the Capehart amendment. This apparently was anticipated by Mr. Phelps. He announced at the start of the conference that any canner who wants the benefit of the Capehart amendment can send in his application and it will be processed by OPS. Canners pointed out that regulations, specifying what such applications should contain, have not yet been issued by OPS.

On Tuesday, September 11, after consultation with Price Stabilizer DiSalle and other officials of OPS, Mr. Phelps gave his answer to the War Mobilization Committee's appeal. This was a refusal to extend the effective dates of the regulations but a promise that OPS would give first priority to the issuance of amendments to correct inequities in the regulations, and that to facilitate preparation and issuance of such amendments, OPS would welcome the assistance of an informal task force of canners and also would, if possible, short-cut the amending procedure.

The War Mobilization Committee immediately organized a task force to try out the OPS suggestion. After two days of work, this group presented, on Thursday afternoon, September 13, proposals to relieve the inequities of CPR 55 with respect to canned peas.

It was recognized that to make any major change in the regulations would require the collection from pea canners of a certain amount of information. Because speedy action is essential to accomplish the relief needed, the choice and the type of amendment to be worked on is influenced to a considerable degree by the amount of information that would have to be collected from canners as well as the time required to assemble the information.

OPS agreed that considerable time would be saved if this information were collected and presented voluntarily by canners to the OPS rather than for OPS to collect it. Accordingly, Thursday night the N.C.A. sent to all pea canners a request for the information that OPS has stated to the Committee would be essential to the preparation of the relief amendments.

It is hoped that this operation on canned peas will provide the precedent for handling amendments to relieve inequities on other products. In anticipation of this, the War Mobilization Committee has selected task forces of canners to assemble the information that will be needed to present the case of these other commodities to OPS. Everyone realizes the need for speedy action, most of all the canner who is affected by the regulation. Consequently, when information is requested of canners, they should respond immediately. Otherwise the burden of delay in solution may fall on the canners rather than OPS.

### Freight in Ceiling Prices

(Concluded from page 323)

lished on an f.o.b. basis or where the ceiling price, in limited situations, is a delivered price reflecting the actual cost of freight (see INFORMATION LETTER of April 14, page 169).

Following is the text of General Interpretation 3:

#### TITLE 32A—NATIONAL DEFENSE, APPENDIX

#### Chapter III—Office of Price Stabilization, Economic Stabilization Agency

[General Interpretation 3]

#### GEN. INT. 3—INCREASE IN RAILROAD FREIGHT RATES

A number of sellers have inquired as to whether they may add to their ceiling prices the increases in railroad

rates recently authorized by the Interstate Commerce Commission (Ex Parte 175, August 2, 1951).

Inclusion of freight in ceiling prices is determined by the specific regulation which may be applicable to the seller, and increases in freight rates may be added to a ceiling price only where such regulation permits this addition. With respect to sellers under the General Ceiling Price Regulation, Interpretation 1 under GCPR, issued April 9, 1951, states that increases in freight may be passed along to the purchaser only in the situations specified and only in connection with outbound freight charges.

Inasmuch as the increases allowed by the ICC could become effective only after August 2, 1951, such freight rate increases would not constitute a cost increase which must be reflected in ceiling prices under Section 104(e) of the Defense Production Act Amendments of 1951, which provides that certain cost increases occurring prior to July 26, 1951, must be reflected in ceiling prices.

It is the policy of the Office of Price Stabilization to afford relief to sellers where cost increases would result in inequities, and various of the regulations issued provide for readjustments in certain cases. Freight costs would constitute "costs" under these adjustment provisions and may, in appropriate cases, provide a basis for relief under the applicable regulations.

(Sec. 704, 64 Stat. 816, as amended; 50 U.S.C. App. Sup. 2154).

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September 10, 1951.

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